



SF 2092 – Categorical Supplemental State Aid FY 2018 (LSB5963SV)
Analyst: John Parker (Phone: (515) 725-2249) (john.parker@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 2092 requires a 4.0% State percent of growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2018.

Background

The State cost per pupil amounts in FY 2018 will depend on the growth rate established for FY 2017. The table below assumes a 4.0% growth rate for FY 2017 that is included in **SF 175** State Categorical Supplemental State Aid FY 2017). The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2017 State cost per pupil funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 4.0% State percent of growth for FY 2018. Additionally, FY 2018 will be the third year that the teacher leadership supplement (TLS) for the Teacher Leadership and Compensation System will be included in the school aid formula. The TLS will provide funding to all students in the State. The following table provides the per pupil growth amounts and State cost per pupil amounts for FY 2018 based on **SF 175** and **SF 2092**.

State Categorical Supplements	FY 2016 State Cost Per Pupil	FY 2017 State Percent of Growth	Supplemental State Aid	FY 2017 State Cost Per Pupil	FY 2018 State Percent of Growth	Supplemental State Aid	FY 2018 State Cost Per Pupil
Teacher Salary - Districts	\$ 555.47	4.00%	\$ 22.22	\$ 577.69	4.00%	\$ 23.11	\$ 600.80
Professional Development - Districts	62.91	4.00%	2.52	65.43	4.00%	2.62	68.05
Early Intervention	68.53	4.00%	2.74	71.27	4.00%	2.85	74.12
Teacher Leadership	312.68	4.00%	12.51	325.19	4.00%	13.01	338.20
Teacher Salary - AEAs	29.07	4.00%	1.16	30.23	4.00%	1.21	31.44
Professional Development - AEAs	3.39	4.00%	0.14	3.53	4.00%	0.14	3.67

Additionally, there is a budget guarantee provision for each of the State categorical supplements that provides each district and AEA with a minimum of the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on enrollment projections for FY 2018 and a 1.0% increase in special education weightings compared to FY 2017.

Fiscal Impact

The estimated total fiscal impact of **SF 2092**, including the provisions in **SF 175**, will be a General Fund expenditure of \$541.0 million to fund the FY 2018 State categorical supplement amounts. This is an increase of \$73.0 million (15.6%) compared to estimated FY 2017. This estimate includes \$163.6 million for the TLS for FY 2018. The following table provides the detail of the funding levels for each of the State categorical supplements.

Estimated Funding Levels				
	District Amount FY 2018	AEA Amount FY 2018	Total Amount FY 2018	FY 2018 vs. FY 2017
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 290,320,259	\$ 16,393,689	\$ 306,713,948	
Budget Guarantee Amount - District	74,042	2,214	76,256	
Total Amount - District	\$ 290,394,301	\$ 16,395,903	\$ 306,790,204	\$ 11,786,392
<hr/>				
Professional Development				
Unadjusted Amount - District	\$ 32,907,984	\$ 1,919,794	\$ 34,827,778	
Budget Guarantee Amount - District	7,073	238	7,311	
Total Amount - District	\$ 32,915,057	\$ 1,920,032	\$ 34,835,089	\$ 1,340,590
<hr/>				
Early Intervention Supplement				
Unadjusted Amount	\$ 35,813,624	NA	\$ 35,813,624	
Budget Guarantee Amount	5,583	NA	5,583	
Total Amount	\$ 35,819,207	NA	\$ 35,819,207	\$ 1,371,873
<hr/>				
Teacher Leadership Supplement				
Unadjusted Amount	\$ 163,563,439	NA	\$ 163,563,439	
Budget Guarantee Amount	3,376	NA	3,376	
Total Amount	\$ 163,566,815	NA	\$ 163,566,815	\$ 58,458,016
<hr/>				
All State Categorical Supplements				
Total Unadjusted Amount	\$ 522,605,306	\$ 18,313,483	\$ 540,918,789	
Total Budget Guarantee Amount	90,074	2,452	92,526	
Total State Categorical Supplement	\$ 522,695,380	\$ 18,315,935	\$ 541,011,315	\$ 72,956,871
<hr/>				
Note:	Contact the LSA for more information			

Sources

Iowa Department of Education, Certified Enrollment file and Enrollment Projections file
Iowa Department of Management, School Aid file
Iowa Association of School Boards
LSA analysis and calculations

/s/ Holly M. Lyons

February 9, 2016

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.